

**ILLINOIS COMMERCE COMMISSION**

**DOCKET No. 13-0301**

**SUPPLEMENTAL DIRECT TESTIMONY**

**OF**

**RONALD D. STAFFORD**

**Submitted on Behalf Of**

**AMEREN ILLINOIS COMPANY  
d/b/a Ameren Illinois**

**June 5, 2013**

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**I. INTRODUCTION**

**Q. Please state your name and business address.**

A. My name is Ronald D. Stafford. My business address is 1901 Chouteau Avenue,  
St. Louis, Missouri.

**Q. Are you the same Ronald D. Stafford that previously submitted testimony in  
this proceeding?**

A. Yes, I filed direct testimony in this docket.

**Q. What is the purpose of your supplemental testimony?**

A. In this testimony I explain and update the changes to my direct testimony and  
exhibits as a result of the recent passage of Public Act ("P.A.") 98-0015. Specifically I  
am revising Ameren Exhibits 1.3 and 1.4 and including, as Ameren Exhibit 1.10, changes  
to 83 Ill. Adm. Code Part 285 Schedules and Workpapers as a result of implementing  
P.A. 98-0015.

**Q. Please explain the purpose or reasoning for Ameren Exhibit 1.3R.**

A. Ameren Exhibit 1.3R presents the formula template (Rate MAP-P) populated with  
the same updated cost data used to derive Ameren Illinois Company's new revenue

requirement presented in Ameren Exhibit 1.1 and with corrections necessary to reflect P.A. 98-0015 legislative amendments for use of actual year-end capital structure for calculations of both the rate year and reconciliation year revenue requirement, and changes to use year-end rate base and weighted average cost of capital (WACC) interest for calculation of the reconciliation year revenue requirement, under Section 16-108.5(d).

**Q. Please explain the nature of the changes to Ameren Exhibit 1.3R and the reasons therefore.**

A. For purposes of calculating the annual reconciliation with interest, under electric Rate MAP-P formula rates, changes are necessary to conform to P.A.98-0015. More specifically, the changes are necessary to transition from: (1) use of average rate base, average capital structure, and the short-term debt rate for reconciliation interest to: (2) use of year-end rate base, year-end capital structure, and the overall WACC for reconciliation interest. Ameren Exhibit 1.3R, Schedule 2 provides a full list of 30 changes to the formula template (Rate MAP-P) to comply with P.A. 98-0015. The changes primarily impact the reconciliation amount shown on Ameren Exhibit 1.3R, Schedule 1, Schedule FR A-1 REC, the reconciliation and interest amounts shown on FR A-4, the calculation of rate base shown on FR B-1, and the calculation of capital structure and cost of capital on FR D-1. As indicated on Ameren Exhibit 1.3R, Schedule 2, additional changes to Schedule 1 were also made to the Index, Schedule FR C-4, and Appendices 1 and 2 of the formula (Rate MAP-P) to conform to P.A. 98-0015. These changes are further described on Schedule 2.

**Q. Please explain the nature of the changes to Ameren Exhibit 1.4 and the reasons therefore.**

A. Changes to Ameren Exhibit 1.4 were necessary to provide a full set of workpapers in support of Ameren Exhibit 1.3R. Previously, Ameren Exhibit 1.4 only included the workpapers incrementally impacted by the legislative changes that became P.A. 98-0015. The entire set of workpapers included in Ameren Exhibit 1.4R necessary to support Ameren Exhibit 1.3R were previously provided in either Ameren Exhibit 1.2 or Ameren Exhibit 1.4. No additional changes to previously provided workpapers are now necessary to support the revised calculation of revenue requirement shown on Ameren Exhibit 1.3R. More specifically, within Ameren Exhibit 1.4R, the only changes from Ameren Exhibit 1.2 are shown on Ameren Exhibit 1.4R, Page 47 (Workpaper 3 – Cash Working Capital) and Page 150 (Workpaper 12 – Cost to Maintain Credit Facilities).

**Q. Are there any changes required to the Part 285 filing?**

A. Yes. Ameren Exhibit 1.10 presents the changes to Part 285 Schedules and Workpapers as a result of implementing P.A. 98-0015. With the use of year end rather than average capital structure, the balances of debt and equity now reflect year-end values, along with corresponding changes to cost rates for preferred stock, long-term debt, short-term debt, and the cost of credit facilities, to the extent applicable. These changes have a derivative impact on a number of Part 285 Schedules and Workpapers. In addition, Part 285 Schedules A-1 and A-2 reflect the change in revenues resulting from changes in the reconciliation amounts, with interest, resulting from P.A. 98-0015. Therefore, the Company is submitting, concurrently with the filing of supplemental testimony and Ameren Exhibits 1.3R and 1.4R, revisions to Part 285 Schedules and Workpapers impacted by the use of the year-end capital structure and cost of capital and revised reconciliation amounts under P.A. 98-0015.

69 **Q. Will any other Ameren Illinois witnesses be filing supplemental direct**  
70 **testimony as a result of P.A. 98-0015?**

71 A. Yes. I am aware that both Mr. Ryan Martin and Mr. Ryan Schonhoff are in the  
72 process of preparing such testimony and expect to have it filed no later than the week of  
73 June 10, 2013.

74 **II. CONCLUSION**

75 **Q. Does this conclude your supplemental direct testimony?**

76 A. Yes, it does.